



The insolvency proceedings of SKS Power began in April 2022.

NCLT okays SEML's resolution plan for SKS Power

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The National Company Law Tribunal (NCLT) has approved Sarda Energy and Mining's (SEML) resolution plan for SKS Power Generation (Chhattisgarh) Ltd (SPGCL), as part of the corporate insolvency resolution process under the Insolvency and Bankruptcy Code (IBC), 2016. A formal order detailing the approval is still pending.

The bench, comprising justices Anu Jagannathan Singh and Kishore Venulapalli, ruled in favour of SEML, dismissing objections raised against the plan. "We hereby approve the successful resolution applicant's (Sarda Energy) plan for the corporate debtor," the bench stated in its order.

The process leading to this decision has been complex.

In October 2023, after objections were raised, the NCLT remanded SEML's resolution plan to SKS Power Generation's lenders for reconsideration. This came after the resolution professional representing SKS Power had submitted the plan on behalf of Nagpur-based SEML,

the successful resolution applicant.

However, the plan faced a setback and was subsequently challenged before the National Company Law Appellate Tribunal (NCLAT). In May 2024, the appellate tribunal overturned the NCLT's earlier decision, allowing SEML to seek final approval and directing the lenders to revisit the resolution plan.

"Approval of a resolution plan under the IBC isn't just a win for creditors and stakeholders, it is a powerful step towards revival, fostering a culture of second chances and sustainable growth," said Akshat Khetan, founder, AU Corporate Advisory and Legal Services.

SKS Power's insolvency proceedings began in April 2022, after lenders, including State Bank of India and Bank of Baroda, approached the NCLT with claims totalling Rs 1,890 crore.

Several major conglomerates, including the Adani Group and Reliance Industries Ltd, had initially expressed

interest in SKS Power but did not submit revised bids. Other bidders included NTPC, Jindal Power, Torrent Power, and Singapore-based Vantage Point Asset Management.